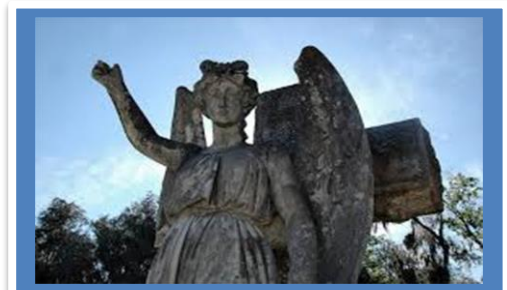


Report to the Citizens of St. Marys, Georgia

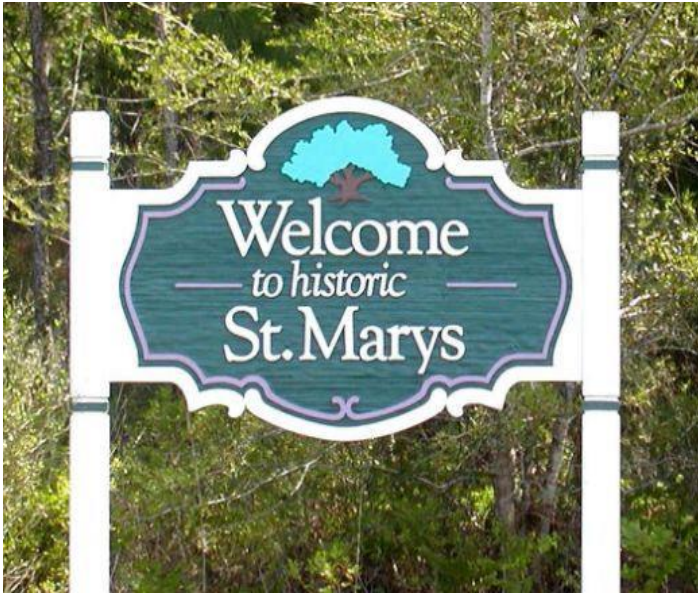
The City of

# St. Marys



July 1, 2018 - June 30, 2019

Popular Annual Financial Report



## Message from The Mayor

To The Citizens of St. Marys;

Governmental financial statements can be difficult to understand due to required specific standards and guidelines. In an effort to provide citizens with an easy to read financial report for the City of St. Marys, we are happy to present the Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2019. We recognize the importance of being accountable for the receipt and expenditures of public funds, and we want to keep our citizens informed as to the City's financial position. Through this easier, more user-friendly report, the PAFR is another example of our commitment to better communicate with our citizens.

On behalf of the City of St. Marys Council, City Manager, and Finance Director, I thank you for taking a moment to read our financial report. We are proud to serve the citizens of St. Marys. We thank you for your support as we continue to strive to further enhance the level of financial accountability to our taxpayers. Questions and feedback are welcomed and encouraged.

Sincerely,  
  
John F. Morrissey, Mayor  
City of St. Marys

## About the PAFR

As part of our commitment to provide our citizens information about their city, we are pleased to present this Citizen's Report, referred to as the Popular Annual Financial Report (PAFR). The PAFR is a brief summary of the City's financial results for the end of the fiscal year. The PAFR is intended to keep the citizens of St. Marys informed of how tax dollars are being spent through the use of an uncomplicated and an easily understandable report.

The financial information presented in this PAFR is extracted from the City's Comprehensive Annual Financial Report (CAFR), but is presented here in a summarized form. The CAFR received a favorable opinion from the City's independent auditors, Mauldin and Jenkins, LLC, confirming that the financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP).

City funds presented within the PAFR are abbreviated and condensed. Unlike the CAFR, the PAFR is unaudited and is presented on a non-GAAP basis. The GAAP basis presentation in the CAFR includes the City's component units and individual funds, as well as, full disclosure of all material events, financial and non-financial, in the notes to the financial statements. The CAFR can be viewed by the public at City Hall and online through the City's website at <http://www.stmarysga.gov>. Thank you for taking the time to read our Popular Annual Financial Report.

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# GFOA Awards

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of St. Marys for its Popular Annual Financial Report for the fiscal year ended June 30, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of St. Marys participated in this award program for the first time for the 2017-18 fiscal year and is proud to have achieved the honor in our first attempt. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

We are pleased to report that the City of St. Marys' comprehensive annual financial reports for the year ended June 30, 2018 was awarded the Certificate of Achievement for Excellence in the Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financing reporting. The City has received this accolade for 5 consecutive years. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to  
**City of St. Marys  
Georgia**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Merrill*  
Executive Director/CEO

# City Profile



The City of St. Marys, situated at the southeast corner of Georgia in Camden County, was established in 1787 and was incorporated by the State of Georgia in 1802. It is said that St. Marys sits on land confiscated from two brothers of Royal Governor James Wright. Their banishment after the American Revolution resulted in the loss of their huge estate. The land then belonged to Jacob Weed who sold land along the St. Marys River to nineteen other men. In 1788, Weed, together with these nineteen men, laid out the city. In 1799, the U. S. Congress made St. Marys a U. S. Port of Entry. The City soon became a bustling seaport because of the natural deep-water harbor of the St. Marys River. After the act of prohibiting the importation of Slaves in 1808, St. Marys became a center for smuggling, particularly during the period of 1812-1819.

During the Civil War St. Marys was occupied by the 9<sup>th</sup> Regiment led by Capt. Thomas Higginson. Upon Capt. Higginson's departure much of the town was burned. After the War St. Marys recovered and industrial development began with the emergence of lumber mills followed by more sawmills and canning plants specializing in preserving locally grown beans, sweet potatoes, and shrimp. For many decades lumber and fishing were the main source of income for the people of St. Marys.

Today, St. Marys is tied to its history and ecotourism. St. Marys is the gateway to Cumberland Island National Seashore and is considered to be a tourist destination as well as a bedroom community.





## INTERESTING FACTS

Home to Naval Submarine Base Kings Bay - home port for U. S. Navy Fleet ballistic missile nuclear submarines.

Gateway to Cumberland Island National Seashore.

Featured as “My Kind of Town” on the Huckabee Show.

There are more Revolutionary War Soldiers buried in St. Marys Oak Grove Cemetery than any other cemetery in Georgia.

Aaron Burr stayed at the historic Archibald Clark house after his famous duel with Alexander Hamilton in 1804.

After the death of George Washington in 1799, an empty coffin was buried in St. Marys and 6 live oak trees were planted to honor his memory.



## ST. MARYS DEMOGRAPHICS

Population – 18,196  
48.5% are Female  
25.4% Under 18 Years  
12.2% Over 65 Years  
2,224 are Veterans

Median Household Income:  
\$56,828

Per Capita Income:  
\$26,494

Median Value of Owner  
Occupied Housing Units:  
\$174,700

General Obligation Bond  
rating has remained “AA”  
for the past several years.

## TOP 10 EMPLOYERS

1. Express Scripts
2. SE GA Health System
3. Walmart Supercenter
4. City of St. Marys
5. General Dynamics
6. Coastal Electric
7. BAE
8. Georgia Pacific
9. Pilot Travel Center
10. Winn Dixie

# Principal City Officials

## Elected

### Mayor

John F. Morrissey

### City Council

#### Post 1

Artie Jones, Jr.

#### Post 4

David Reilly

#### Post 2

Jim Goodman

#### Post 5

Allen Rassi

#### Post 3

Jim Gant

#### Post 6

Linda P. Williams

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## Appointed

### City Manager

Robert Horton  
(Interim)

### City Clerk

Deborah Walker-Reed

### Police Chief

Michael Wilkie

### Finance Director

Jennifer Brown

### Fire Chief

Thomas Lackner  
(Interim)

### Human Resources Director

Donna Larsen

### City Engineer

Chris Cox

### City Attorney

James Blackerby

### Utilities Director

Bobby Marr







## City's Vision Statement

The City of St. Marys vision is to create a community of excellence governed by the principles of responsibility, fiscal soundness, accessibility, and service to the public, in an atmosphere rich in history and cultural significance, while retaining its natural beauty, charm, resources, and unique appearance; a community that attracts and maintains active and supportive citizens, with an enhanced quality of life and economic opportunity for all.

## City's Mission Statement

The mission of the City of St. Marys is to provide the most responsive and progressive public services, within the resources provided, so that our citizens can enjoy the best possible quality of life.



## City Goals

Provide cohesive economic development programs and initiatives in order to promote economic opportunity within the City.

Assure our fiscal sustainability by ensuring quality municipal services and operations are provided efficiently and are financially sustainable.

Enhance citizen engagement, involvement, and communications on City-related issues.

Strengthen Military/City relationships and partnerships.

Support and develop infrastructure within the City to meet current standards and plans for the future in a financially sustainable manner.

Provide environmental stewardship and sustainable management of our natural resources and history (structures and culture).

# Budget Process

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function, and department, and is closely monitored throughout the year. Additionally, expenditures, revenues, and performance data are monitored in order to ensure the successful implementation of the City's service plan.

In the spring of each year, Finance provides each department with budget worksheets to request personnel service, capital outlay, and operating expenditures for the coming fiscal year. Each Department Manager meets with the City Manager and the Finance Director to review the requests and answer any questions. These requests are compiled and form the recommended budget, which is presented to the Mayor and Council at a budget workshop. After Council's review, adjustments are made to the proposed budget. A public hearing is advertised and held where the proposed budget is presented to the public. Council then adopts the budget before the beginning of the new fiscal year. As conditions change or circumstances are altered during the course of the year, the budget can be adjusted or amended with Council approved budget ordinances as regulated by the Official Code of Georgia (O.C.G.A 36-81-3). The budget must be balanced for all budgeted funds.

In addition to the annual operating budget, the City prepares a five-year capital plan that is updated on an annual basis. The most recent plan update for years 2020 through 2024 identifies projects and funding that total \$6.09 million and includes major categories of water and sewer, public buildings, parks and recreation, community development, drainage, streets and traffic improvements. The General Fund is projected to contribute \$3.5 million of the funding for the five-year plan.





# General Financial Information

The City of St. Marys provides full services for its citizens which include police and fire protection, community planning and development, building-code enforcement services, construction/road repair, water and sewer utilities, along with other support duties. These services operate and are accounted for on a *fund basis* as set forth by the Generally Accepted Accounting Principles (GAAP). A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.



The current funds used by the City are General Fund, Special Revenue Funds, Capital Improvements Fund, and Enterprise Funds.

General Fund is used to finance all general government operations necessary to serve its citizens. St. Marys General Fund consists of: Administration, Finance, Municipal Court, Police, Fire, Public Works, Planning & Zoning, Building, and Economic Development.

Special Revenue Funds are established to account for proceeds that must be used for a specific project. These monies are legally restricted, and the Special Revenue Fund provides an extra level of accountability to the taxpayer that the funds were expended on the intended purpose. St. Marys has (5) five Special Revenue Funds: Confiscated Assets Fund, Multi-Grant Fund, Convention & Visitors Bureau Fund, Hotel/Motel Tax Fund, and TAD (Tax Allocation District).

Capital Improvements Funds are established to account for financial resources used for the acquisition or construction of major capital projects. St. Marys has (2) two Capital Improvements Fund (SPLOST VII) and the Local Maintenance Improvement Grant (LMIG).

Enterprise Funds are established to account for services provided to the public on a user charge basis. There are three (3) Enterprise Funds: Water/Sewer Fund, Solid Waste Fund, and Aquatic Center Fund.

# Financial Review of Fiscal Year 2019

The Financial Review Section provides information on the financial health and stability of the City of St. Marys. In this report, government-wide financial statements are provided to the reader which will present a broad overview of the City of St. Marys finances in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. For more detailed information, the reader can review the CAFR which can be viewed by the public at City Hall and online through the City's website at [www.stmarysga.gov](http://www.stmarysga.gov).

The *governmental activities* of the City include general government, public safety, public works, health and welfare, judicial, housing and development, culture and recreation, and interest on long-term debt. The *business-type activities* include Water and Sewer, Solid Waste, and the Aquatic Center.

The tables below show the sources of revenues and expenditures for the government, highlighting how the government received its funding and where the funds were spent. Fiscal year FY2018 and FY2017 is also presented for year to year comparison. The Industrial Development, Downtown Development, Convention & Visitors Bureau, and Cemetery Authorities are not included in the tables below.

	Governmental Activities			Business-type Activities			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
<b>Revenues</b>									
Program revenues:									
Charges for services	\$ 1,436,350	\$ 1,533,243	\$ 1,386,352	\$ 8,611,933	\$ 8,947,028	\$ 8,347,822	\$ 10,048,283	10,480,271	9,734,174
Operating grants and contributions	-	-	261,385	-	-	-	-	-	261,385
Capital grants and contributions	4,554,489	4,602,481	2,183,872	-	-	-	4,554,489	4,602,481	2,183,872
General revenues:									
Property taxes	4,339,628	3,722,766	3,520,121	-	-	-	4,339,628	3,722,766	3,520,121
Franchise taxes	1,032,606	969,126	996,179	-	-	-	1,032,606	969,126	996,179
Sales taxes	2,005,315	1,844,924	1,753,020	-	-	-	2,005,315	1,844,924	1,753,020
Hotel/motel taxes	140,216	139,172	157,570	-	-	-	140,216	139,172	157,570
Other taxes	1,466,945	1,408,542	1,348,895	-	-	-	1,466,945	1,408,542	1,348,895
Unrestricted investment earnings	6,360	5,867	5,034	23,922	16,731	7,867	30,282	22,598	12,901
Gain on sale of capital assets	8,378	-	-	10,796	7,684	-	19,174	7,684	-
Miscellaneous	-	-	2,351	-	-	22,055	-	-	24,406
<b>Total revenues</b>	<b>14,990,287</b>	<b>14,226,121</b>	<b>11,614,779</b>	<b>8,646,651</b>	<b>8,971,443</b>	<b>8,377,744</b>	<b>23,636,938</b>	<b>23,197,564</b>	<b>19,992,523</b>

(Continued)



## Expenses

### Governmental activities:

General government	2,306,567	5,663,402	2,762,386	-	-	-	2,306,567	5,663,402	2,762,386
Public safety	4,009,102	4,262,525	4,069,083	-	-	-	4,009,102	4,262,525	4,069,083
Public works	2,476,956	1,936,690	2,213,808	-	-	-	2,476,956	1,936,690	2,213,808
Health and welfare	168,699	152,029	145,040	-	-	-	168,699	152,029	145,040
Judicial	173,484	188,366	187,872	-	-	-	173,484	188,366	187,872
Culture and recreation	429,153	379,147	520,280	-	-	-	429,153	379,147	520,280
Housing and development	711,232	744,961	737,632	-	-	-	711,232	744,961	737,632
Interest on long-term debt	30,958	25,614	25,381	-	-	-	30,958	25,614	25,381

### Business-type activities:

Water and Sewer	-	-	-	7,854,390	7,575,655	8,291,427	7,854,390	7,575,655	8,291,427
Solid Waste	-	-	-	1,172,093	1,156,030	1,222,388	1,172,093	1,156,030	1,222,388
Aquatic Center	-	-	-	525,076	433,650	449,460	525,076	433,650	449,460

Total Expenses	10,306,151	13,352,734	10,661,482	9,551,559	9,165,335	9,963,275	19,857,710	22,518,069	20,624,757
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### Increase (decrease) in net position before transfers

4,684,136	873,387	953,297	(904,908)	(193,892)	(1,585,531)	3,779,228	679,495	(632,234)
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### Transfers

(1,228,968)	(1,654,050)	(1,669,300)	1,228,969	1,654,050	1,669,300	-	-	-
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### Increase (decrease) in net position

3,455,168	(780,663)	(716,003)	324,061	1,460,158	83,769	3,779,228	679,495	(632,234)
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### Net position, beginning

21,952,395	22,733,058	23,449,061	40,729,271	39,269,113	39,185,344	62,681,666	62,002,171	62,634,405
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### Net position, ending

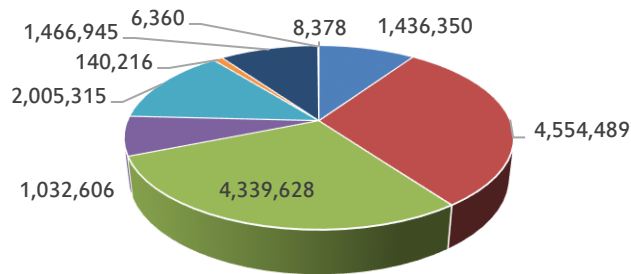
\$ 25,407,562	\$ 21,952,395	\$ 22,733,058	\$ 41,053,332	\$ 40,729,271	\$ 39,269,113	\$ 66,460,894	\$ 62,681,666	\$ 62,002,171
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# Revenue and Expense Summary

The charts below displays governmental revenues and expenditures for fiscal year 2019.

## Revenue



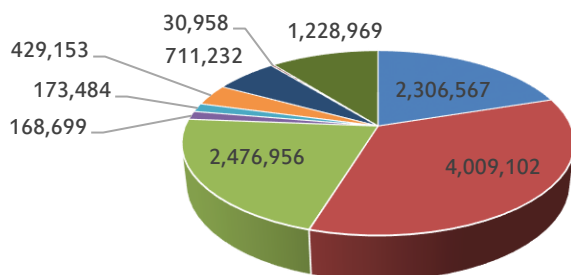
- Charges for services
- Property taxes
- Sales taxes
- Other taxes
- Gain on sale of capital assets
- Capital Grants and contributions
- Franchise taxes
- Hotel/motel taxes
- Unrestricted investment earnings

## Where the Money Comes From:

30¢ Capital Grants & Contributions	29¢ Property Taxes	13¢ Sales Tax	10¢ Other Taxes	10¢ Charges for Srvcs	8¢ Other Rev
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## Expenses



- General government
- Public works
- Judicial
- Housing and development
- Transfers out
- Public safety
- Health and welfare
- Culture and recreation
- Interest on long-term debt

## Where the Money Goes:

35¢ Public Safety	22¢ Public Works	20¢ Gen Gov	11¢ Trans Out	6¢ House & Dev	6¢ Other Exp
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In order to promote economic growth and to begin implementation of the completed downtown strategic visioning and planning process, the downtown waterfront area which includes St. Marys Street and the area between Osborne and Wheeler Street, began to get a facelift in fiscal year 2019. This project will be completed in fiscal year 2020. The improvements consist of the reduction in the width of asphalt, the addition of greenery, and the expansion of the sidewalk on the north side of St. Marys Street. This is a grant funded project and is estimated to be \$1.0 million.



The devastation caused by back to back Hurricanes in 2016 and 2017 respectively to St. Marys, and particularly to the downtown waterfront, is reflected in both revenues and expenses in fiscal year 2019. The City received funds from both Federal Emergency Management Agency (FEMA) and insurance claims. Expenses have decreased this year as opposed to the previous years due to rebuilding and cleanup efforts. The damaged downtown boat ramp is projected to be completed in fiscal year 2020.

A complete analysis of the City's revenues and expenses can be found in the CAFR at [www.stmarysga.org](http://www.stmarysga.org).



# Statement of Net Position

The Statement of Net Position presents data on all the City's assets and liabilities, deferred outflows, and deferred inflows with the difference between the totals reported as Net Position. The positive net position balances (\$66.5 million) indicate a degree of financial stability of the Government. Governmental and business-type activities combined provided a \$3.8 million increase in net position over prior year.

The majority of the the City's net position (\$43.6) reflects its investment in capital assets; less any related debt used to acquire those assets that are still outstanding. The City has a \$17.6 million unrestricted net position which may be used to meet the government's ongoing obligations.

The governmental activities net position increased in FY 2019 by \$3.5 million. The increase is a result of reimbursement from insurance proceeds and FEMA funding for hurricane damage. The Business-type activities during the same period increased the net position by \$.3 million as the city prepares for debt service payments in the future.





## Statement of Net Position

June 30, 2019

	<b>Governmental</b>	<b>Business-type</b>	
<b>Assets</b>	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 8,255,040	\$ 6,557,716	\$ 14,812,756
Taxes receivable	141,101	-	141,101
Accounts receivable, net of allowances	1,378,092	730,470	2,108,562
Prepaid expenses	110,530	62,810	173,340
Due from other governments	969,886	-	969,886
Internal balances	(31,729)	31,729	-
Due from component units	32,619		32,619
Restricted assets, cash and cash equivalents	-	2,626,034	2,626,034
Capital assets:			-
Non-depreciable	5,112,936	925,152	6,038,088
Depreciable, net of accumulated depreciation	12,357,670	66,242,359	78,600,029
Total assets	28,326,145	77,176,270	105,502,415
<b>Deferred Outflow of Resources</b>			
Deferred refunding loss	-	4,024,418	4,024,418
<b>Liabilities</b>			
Accounts payable	\$ 486,766	\$ 293,486	780,252
Accrued liabilities	38,252	243,000	281,252
Due to component units	10,212	-	10,212
Due to primary government	-	-	-
Customer deposits	-	410,565	410,565
Unearned revenue	-	12,091	12,091
Compensated absences due within one year	270,311	52,525	322,836
Capital leases due within one year	305,312	33,148	338,460
Capital leases due in more than one year	634,414	-	634,414
Notes payable due within one year	158,637	345,859	504,496
Notes payable due in more than one year	758,609	2,702,475	3,461,084
Net pension liability	214,897	-	214,897
Bonds payable due within one year	-	1,960,000	1,960,000
Bonds payable due in more than one year	-	34,094,207	34,094,207
Total liabilities	2,877,410	40,147,356	43,024,766
<b>Deferred Inflows of Resources</b>			
Pension	41,173	-	41,173
<b>Net Position</b>			
Net investment in capital assets	15,613,634	28,031,822	43,645,456
Restricted for capital projects	3,349,311	-	3,349,311
Restricted for debt service	-	1,840,323	1,840,323
Restricted for public safety	214	-	214
Unrestricted	6,444,403	11,181,187	17,625,590
Total net position	25,407,562	41,053,332	66,460,894

# Debt Administration

The City of St. Marys' total long-term debt consists of revenue bonds, long-term notes, capital leases, and compensated absences.

At June 30, 2019, the City had \$1,856,972 of outstanding debt related to governmental activities and \$39,135,689 of outstanding debt related to business-type activities for a total of \$40,992,661 compared to the previous year's total of \$42,427,569. This is a decrease of \$1,434,908. This does not include compensated absences. The CAFR can be reviewed for a more detailed perspective of the City's debt.





# City Activities

*(sponsored by the City and various community organizations)*

- Mardi Gras Festival
- 4<sup>th</sup> of July Festival
- St. Marys Rock Shrimp Festival
- St. Marys Scarecrow Stroll



- St. Marys Haunted History Tour
- St. Marys White Lighting
- Christmas in the Park
- Christmas Tour of Homes



- Candlelight Stroll & Caroling
- Live Nativity at Orange Hall
- St. Marys Community Market
- Food Truck Saturdays
- Music in the Park (seasonal)

